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Attorneys for  
TV-32 DIGITAL VENTURES INC.,  
Debtor and Debtor-in-Possession

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE DIVISION

In re:  
  
TV-32 DIGITAL VENTURES INC., a  
California corporation,  
Tax ID: 20-1198608  
  
Debtor.

Case No. 09-58098 ASW 11

Chapter 11

JOINT CHAPTER 11 STATUS CONFERENCE  
STATEMENT

Date: May 3, 2010  
Time: 2:30 p.m.  
Courtroom: 3020, 3<sup>rd</sup> Floor  
The Honorable Arthur S. Weissbrodt

TO: THE HONORABLE ARTHUR S. WEISSBRODT, UNITED STATES BANKRUPTCY  
JUDGE:

TV-32 DIGITAL VENTURES INC., Debtor and Debtor-in-Possession (the "Debtor") and  
ARLENE STEVENS, creditor ("Stevens") hereby respectfully submit a Joint Chapter 11 Status  
Conference Statement:

1. The Debtor filed a voluntary chapter 11 bankruptcy petition on September 23,  
2009, on the eve of Sonoma National Bank's foreclosure sale of Debtor's 21,500 square foot  
commercial real property located at 1010 Corporation Way, Palo Alto, California 94303 (APN  
116-01-025).

1           2.       At the last hearing on February 5, 2010, which included consideration of the  
2 Debtor's Disclosure Statement, the Motion of Arlene Stevens for the Appointment of a Chapter  
3 11 Trustee and Status Conference, the Court continued the matter to May 3, 2010, directing the  
4 parties to submit a joint statement 7 days prior to the hearing and, in the interim, to return to State  
5 Court to determine, or by agreement resolve, the issue of who owns and has authority to control  
6 Debtor.

7           3.       Unfortunately, the parties have been unable to reach agreement on the issue. In  
8 addition, Judge Jacobs-May has disqualified herself from the underlying state court matter,  
9 entitled Arlene Stevens v. Booker T. Wade, Jr., et al, Santa Clara County Superior Court  
10 Case No.: 1-07-CV-090284 ("State Action") because of a potential relationship with JAMS.  
11 Judge Jacobs-May offered to continue to act as settlement conference judge. A new judge (Judge  
12 Pierce) has been appointed to replace Judge Jacobs-May and the parties are in the process of  
13 seeking guidance from Judge Pierce as to the appropriate mechanism for determination of the  
14 disputed issues of ownership and control of the Debtor.

15           4.       On April 19, 2010, Wade filed a motion to set aside and vacate the settlement of  
16 the State Action and all orders from Judge Silver, Ret. of JAMS. This hearing is scheduled for  
17 hearing on May 25, 2010 before Judge Pierce.

18           5.       Arlene Stevens has, after considerable effort and various scheduling problems,  
19 secured a hearing date of May 19, 2010 before JAMS and Judge Silver, Ret. to address various  
20 aspects of the settlement matters over which Judge Silver, Ret. has jurisdiction. Wade has asked  
21 Judge Silver, Ret. to recuse himself from the matter on the same general basis upon which Judge  
22 Jacobs-May recused/disqualified herself.

23           6.       On February 19, 2010, Sterling Savings Bank ("Sterling") filed a Complaint in  
24 Sonoma County Superior Court against Arlene Stevens for Breach of Commercial Guaranty—of  
25 Debtor's obligation to Sterling. On February 22, 2010, Sterling filed an Application for Writ of  
26 Attachment seeking to attach, among other things, the proceeds (approximately \$646,000) from  
27 the sale of Wade's and Stevens' former residence at Tripp Road in Woodside, California-funds  
28

1 which were apparently subject to the jurisdiction of the Santa Clara County Superior Court  
2 pursuant to the settlement negotiated by Stevens and Wade before Judge Jacobs-May in the State  
3 Action. The hearing on the Application was previously set for April 13, 2010. On March 18,  
4 2010, Sterling secured a Temporary Protective Order preventing any transfer of those funds by  
5 Arlene Stevens or her counsel. On March 19, 2010 Sterling served Dave Hamerslough, Esq., Ms.  
6 Stevens' counsel in the State Action, with the Temporary Protective Order. Ms. Stevens has not  
7 been personally served in the Sonoma County Superior Court matter, has not appeared in that  
8 action, and does not have counsel in or for that matter. Apparently, Sterling has undertaken  
9 efforts to serve Stevens by way of publication. The hearing on the Application for Writ of  
10 Attachment has been continued to June 1, 2010, to allow additional time to locate and serve Ms.  
11 Stevens. Sterling is appearing tomorrow (April 27, 2010), ex parte, to obtain an extension of the  
12 TPO, which remains in effect.<sup>1</sup>

13 7. In addition, Stevens understands that Sterling will seek to intervene in the State  
14 Action by way of a motion to intervene into the State Action presumably in an effort to apply  
15 Steven's funds, or rights to funds, to Debtor's obligation to Sterling.

16 8. Alternatively, this case cries out for mediation; unfortunately it is has been  
17 difficult to engage in meaningful settlement discussions; it might be appropriate for the Court to  
18 order all parties to appear and participate in a settlement conference as a vehicle of resolving the  
19 pending issues.

20 9. Stevens submits that she wishes to move forward immediately with a sale of the  
21 Debtor's property and her pending motion.

22 10. Wade submits that he likewise wishes to move forward, continues to oppose  
23 Stevens' motion and desires to prosecute the Debtor's plan which provides a reasonable period of  
24 time for the sale of the Debtor's real property.

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27  
28 <sup>1</sup> Information regarding the Sonoma County matter was provided by Sterling's counsel.

1 WHEREFORE, the parties respectfully submit that the Court should make such orders as  
2 it deems appropriate.

3 Dated: April 26, 2010

PINNACLE LAW GROUP LLP

4 By: /s/ Matthew J. Shier

5 Matthew J. Shier, Attorneys for  
6 TV-32 DIGITAL VENTURES INC., Debtor  
and Debtor-in-Possession

7 Dated: April 26, 2010

8 CAMPEAU GOODSSELL SMITH

9 By: /s/ William J. Healy

10 William J. Healy  
11 Attorneys for Arlene Stevens  
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CERTIFICATE OF SERVICE

I am employed in the office of a member of the bar of this Court in the City and County of San Francisco, at whose direction this service was made. I am over the age of 18 and not a party to the within action. My business address is 425 California Street, Suite 1800, San Francisco, California 94104.

On April 26, 2010, I served the documents described as:

**CHAPTER 11 STATUS CONFERENCE STATEMENT**

on the interested parties in this action by placing [ ] the original [X] true copies thereof enclosed in sealed envelopes addressed as follows:

TV-32 DIGITAL VENTURES INC.  
c/o Booker T. Wade  
605 Forest Avenue  
Palo Alto, CA 94301

Andrew Zighelboim  
450 West Santa Clara Street  
San Jose, CA 95113  
[azighelboim@collierparrish.com](mailto:azighelboim@collierparrish.com)

The Honorable Arthur S. Weissbrodt  
United States Courthouse, Room 3020  
280 South First Street  
San Jose, CA 95113-3099  
**Attention: CHAMBERS COPIES**

[X] U.S. MAIL: Service was accomplished by placing the document(s) listed above in a sealed envelope with postage thereon fully prepaid, in the United States mail at San Francisco, California, addressed as set forth above.

[X] BY E-MAIL/NEF: Service was accomplished through the Notice of Electronic Filing ("NEF") for parties and counsel who are registered ECF Users.

Office Of The United States Trustee  
[USTPRegion17.SJ.ECF@usdoj.gov](mailto:USTPRegion17.SJ.ECF@usdoj.gov),  
[ltroxas@hotmail.com](mailto:ltroxas@hotmail.com)

I declare under penalty of perjury under the laws of the United States of America, that the foregoing is true and correct. Executed on April 26, 2010, at San Francisco, California.

/s/ Heather Pruitt  
HEATHER PRUITT